

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Association of Businesses Advocating Tariff Equity)	
Coalition of MISO Transmission Customers)	
Illinois Industrial Energy Consumers)	
Indiana Industrial Energy Consumers, Inc.)	
Minnesota Large Industrial Group)	
Wisconsin Industrial Energy Group)	
Complainants,)	
v.)	Docket No. EL14-12-000
)	
Midcontinent Independent System Operator, Inc.)	
ALLETE, Inc., Ameren Illinois Company)	
Ameren Missouri, Ameren Transmission Company)	
of Illinois, American Transmission Company LLC,)	
Cleco Power LLC, Duke Energy Business Services,)	
LLC, Entergy Arkansas, Inc., Entergy Gulf States)	
Louisiana, LLC, Entergy Louisiana, LLC, Entergy)	
Mississippi, Inc., Entergy New Orleans, Inc.,)	
Entergy Texas, Inc., Indianapolis Power & Light)	
Company, International Transmission Company,)	
ITC Midwest LLC, Michigan Electric Transmission)	
Company, LLC, MidAmerican Energy Company,)	
Montana-Dakota Utilities Co., Northern Indiana)	
Public Service Company, Northern States Power)	
Company-Minnesota, Northern States Power)	
Company-Wisconsin, Otter Tail Power Company)	
Southern Indiana Gas & Electric Company)	
Respondents.)	

**NOTICE OF INTERVENTION AND COMMENTS OF
THE MICHIGAN PUBLIC SERVICE COMMISSION
IN SUPPORT OF SECTION 206 OF THE FPA INVESTIGATION**

Pursuant to Rule 214 of the Federal Energy Regulatory Commission's ("Commission") Rules of Practice and Procedure (18 C.F.R. § 385.214), the Michigan Public Service Commission ("MPSC") hereby provides notice of its intervention and comments in support of the complaint filed in the above-captioned proceeding.

I. NOTICES AND COMMUNICATIONS

Copies of all pleadings and correspondence should be addressed to:

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II. NOTICE OF INTERVENTION

The MPSC is an agency of the State of Michigan, created by 1939 Pub. Acts 3, Mich. Comp. Laws Ann. § 460.1 *et seq.* As the Michigan regulatory agency having jurisdiction and authority to control and regulate rates, charges, and conditions of service for the retail sale of natural gas and electricity in the State, the MPSC is a “state commission” as defined in 16 U.S.C. § 796(15) and 18 C.F.R. § 1.101(k) (2006).

On November 12, 2013, a group of large energy consumers¹ filed a complaint under section 206 of the Federal Power Act ("FPA") and Rule 206 of Commission Rules of Practice and Procedure seeking a Commission order that: 1) reduces the base return on equity ("Base ROE") used by the MISO Transmission Owners' ("MISO TOs") to 9.15%; 2) finds that capital structures with greater than 50% equity are no longer just and reasonable and should therefore be reduced

¹ The complainants include: Association of Businesses Advocating Tariff Equity ("ABATE"); Coalition of MISO Transmission Customers ("CMTC"); Illinois Industrial Energy Consumers ("IIEC"); Indiana Industrial Energy Consumers, Inc. ("INDIEC"); Minnesota Large Industrial Group ("MLIG"); and Wisconsin Industrial Energy Group ("WIEG") (collectively "Joint Complainants").

accordingly; 3) finds that ROE incentive adders are no longer just and reasonable and should be removed from the formula rates; and 4) establishes an effective refund date of November 12, 2013.

The Joint Complainants argue that their filing contains ample evidence to demonstrate that the current Base ROEs are no longer just and reasonable and that the Commission should summarily issue an order imposing a new Base ROE of 9.15 percent on all TOs. In the alternative, the Joint Complainants argue that at a minimum, the Commission should institute a proceeding under Section 206 of the FPA to investigate whether the Base ROEs are excessive and to determine a just and reasonable ROE. Specifically, the Joint Complainants have requested a procedure that contemplates a two-phased process that would: 1) direct parties to engage in settlement discussions with a Settlement Judge for a 60-day period; and, in the absence of a settlement, 2) establish an evidentiary hearing to investigate all of these issues.

The rates charged under the MISO tariff (and the underlying TO formula rates) impact transmission customers and ratepayers in the State of Michigan. Accordingly, the MPSC has a direct and unique interest in this proceeding and is entitled to party status upon filing this Notice of Intervention pursuant to 18 CFR §385.214(a)(2).

III. COMMENTS

The instant complaint presents an appropriate forum for the Commission to examine its various practices and policies associated with establishing proper rates for transmission owners in organized markets. Like the Joint Complainants, the MPSC is concerned with the fact that the fundamental components of the MISO TOs rates have not been examined in almost a decade, and

no examination has been made of the impact on rates of the significantly changed economic circumstances since 2002.²

While the MPSC recognizes and supports the objective of enabling TOs to earn an appropriate rate of return sufficient to attract capital that is needed to engage in transmission system infrastructure improvements, it is paramount that such rates be just and reasonable. The instant complaint provides an appropriate and timely forum for the Commission to examine current market conditions and update certain transmission rate components in order to ensure that rates are consistent with prudent ratemaking goals, and do not impose unnecessary burdens on Michigan's economy or impose undue hardships on Michigan's ratepayers.

Moreover, the MPSC believes that examining these rate issues at this time is appropriate because it complements the significant efforts and progress that the Commission has made through the recent establishment of Order 1000 to improve the transmission market and send the proper planning and pricing signals to the industry as a whole.

IV. CONCLUSION

WHEREFORE, for the reasons stated above, the MPSC respectfully requests that the Commission grant the relief requested by the Joint Complainants.

Respectfully submitted,

THE MICHIGAN PUBLIC SERVICE COMMISSION

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² Joint Complaint at P 81 at p. 33.

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served, via electronic mail or first class mail, the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C. this 3rd day of January, 2014.

/s/Kelly A. Daly

Kelly A. Daly